


INTERACTIVE ONLINE TRAINING PROGRAM

Party Operations Part 1

May 22, 2019
1:00 PM Eastern

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2019-20 Election Cycle

Party Operations Part 1
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Objectives

- ▣ Review fundraising and other sources of support for party
- ▣ Review restrictions on nonfederal fundraising by candidates and officeholders
- ▣ Discuss ways party can support candidates, including coordinated and independent expenditures

PART A: FUNDRAISING

Bank Account Basics

- ▣ Committees must have at least one checking account at federally insured institution
- ▣ Committees may invest funds, but all receipts and disbursements must pass through checking account

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I. Organize Accounts

A. Establishing a Federal Account (11 CFR 103.2 and 103.3) (*Guide*, pp. 4-5)

1. Party committee must establish one or more federal accounts and designate a campaign depository at a federally insured institution.
2. Committee may invest the funds, but all federal receipts and disbursements must be made through the checking account.

National Party Accounts

National parties cannot raise or spend nonfederal funds—federal accounts only



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B. National Party Committees (11 CFR 300.10)

National party committees, their agents, or any entity established, financed, maintained or controlled by a national party committee are prohibited from raising, spending, soliciting, receiving or directing funds that are not subject to the limitations, prohibitions and reporting requirements of the Federal Election Campaign Act (i.e., “soft money”).

National Party Accounts

National party committees may establish separate accounts for:

1. Presidential nominating conventions
2. National Party headquarters construction, purchase, operation and renovation
3. Election recounts and contests and other legal proceedings



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C. **Accounts for National Party Committees** – (*Consolidated and Further Continuing Appropriations Act, 2015 (H.R. 83)*)

1. **“Convention Account”**

- a) Separate, segregated account used to defray expenses with respect to a presidential nominating convention.
- b) **Not** available to the national party’s senate and congressional campaign committees.

2. **“Headquarters Account”**

- a) Separate, segregated account used to defray expenses with respect to the “construction, purchase, renovation, operation and furnishing of one or more headquarters buildings of the party.
- b) Available to **all** national party committees.

3. **“Recount Account”**

- a) Separate, segregated account used to defray expenses with respect to the “preparation for and the conduct of election recounts and contests and other legal proceedings.”
- b) Available to **all** national party committees.

Interim Reporting Guidance for new National Party Committee Accounts

The Commission issued interim reporting guidance for the new National Party Committee accounts (Convention, Headquarters and Recount/Legal Expenses) in February 2015. National party committees should call their assigned Campaign Finance Analysts with any questions regarding the disclosure of this activity.

See Commission Press Release at <https://www.fec.gov/updates/fec-issues-interim-reporting-guidance-for-national-party-committee-accounts/>

Contribution Amount Limits

For 2019–2020 Elections	Candidate Committee per election	PAC (SSF and Nonconnected) per year	State, District & Local Party Committee per year	National Party Committee per year	Additional National Party Committee Accounts per year
Individual	\$2,800	\$5,000	\$10,000 (combined)	\$35,500 x 3	= \$106,500
Candidate Committee	\$2,000	\$5,000	Unlimited Transfers	Unlimited Transfers	
PAC: multicandidate	\$5,000	\$5,000	\$5,000 (combined)	\$15,000 x 3	= \$45,000
PAC: Nonmulticandidate	\$2,800	\$5,000	\$10,000 (combined)	\$35,500 x 3	= \$106,500
National Party Committee	\$5,000 – House \$49,600 per cycle – Senate	\$5,000	Unlimited Transfers	Unlimited Transfers	
State, District & Local Party Committee	\$5,000 (combined)	\$5,000 (combined)	Unlimited Transfers	Unlimited Transfers	



State/Local Party Accounts

State and local parties may have three different types of bank accounts:

1. Federal



2. Nonfederal



3. Levin



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- D. Three Types of Accounts for State/Local Party Committees – (11 CFR 102.5(a) and 300.30); (*Guide*, pp. 4-5)**
- 1. Federal Account – Required for Federal Activity**
Federal funds comply with the limitations, prohibitions and reporting requirements of the Federal Election Campaign Act (the Act).
 - 2. Nonfederal Account – Optional under Federal Law**
Nonfederal funds are governed by state law. Not reportable to the FEC.
 - 3. Levin Account – Optional under Federal Law or Deposit in Nonfederal Account**
 - a) Levin funds comply with some of the limits and prohibitions of the Act and are also governed by state law.
 - b) Used to pay a portion of certain Federal Election Activity (FEA) which are specific activities defined by BCRA. (FEA discussed in detail in *Party Operations, Part 2*.)

Federal Account Deposits

Must meet one of these conditions:

1. Designated or solicited for federal account
2. Contributors informed that contribution is subject to federal limits/prohibitions



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E. Deposits into the Federal Account – (11 CFR 102.5(a) and 300.30(b)(3));
(*Guide*, p. 5)

1. Solicitation Notice

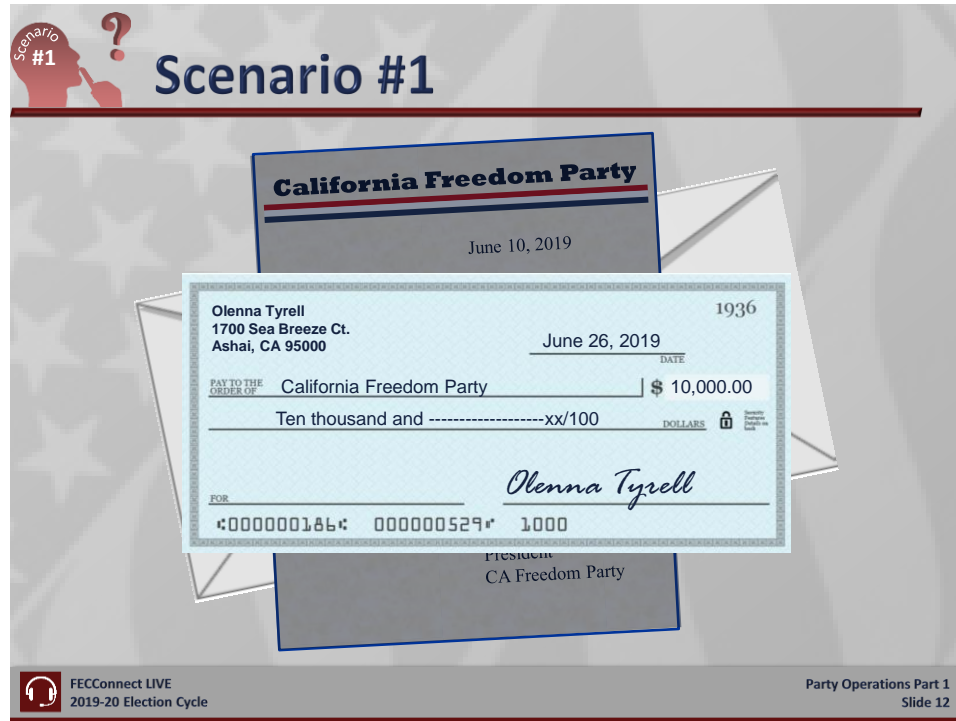
All funds deposited into the party's federal account must meet one of the following conditions:

a) Designated or Solicited for the Federal Account

Funds must be designated by the contributor or expressly solicited for use in connection with federal elections; or

b) Contributors Informed

Contributors must be informed that contribution is subject to federal limits and prohibitions, e.g., in the initial solicitation.



Reporting Scenario #1

On June 10, 2019, the California Freedom Party sends out a solicitation for contributions. The solicitation states that the funds received will be used in connection with both nonfederal and federal elections. The committee receives a check from Lady Olenna Tyrell in the amount of \$10,000 on June 26, 2019.

1. **May the committee deposit the check in the federal account?**
2. **How should the committee report the receipt of the check?**
3. **When examining the check from Lady Tyrell, what “red flags” should the committee consider when deciding if the check is permissible?**

Reporting Scenario #1 Answers:

1. May the committee deposit the check in the federal account?

Answer: Yes, because the solicitation stated that the funds would be used in connection with federal elections. Alternatively, the solicitation could have stated that the contributions are subject to the limits and prohibitions of the Act. Either would satisfy 11 CFR 102.5(a)(2).

2. How should the committee report the receipt of the check?

Answer: The contribution is more than \$200 so it should be itemized on Schedule A for Line 11(a)(i).

Reporting Federal Receipts

SCHEDULE A (FEC Form 3X)
ITEMIZED RECEIPTS

Use separate schedule(s) for each category of the Detailed Summary Page

FOR LINE NUMBER: (check only one)

<input checked="" type="checkbox"/> 11a	<input type="checkbox"/> 11b	<input type="checkbox"/> 11c	<input type="checkbox"/> 12
<input type="checkbox"/> 13	<input type="checkbox"/> 14	<input type="checkbox"/> 15	<input type="checkbox"/> 16
<input type="checkbox"/> 17	<input type="checkbox"/> 18	<input type="checkbox"/> 19	<input type="checkbox"/> 20

Any information copied from such Reports and Statements may not be sold or used by any person for the purpose of soliciting contributions or for commercial purposes, other than using the name and address of any political committee to solicit contributions from such committee.

NAME OF COMMITTEE (In Full)
California Freedom Party Committee

Full Name of Individual (Last, First, Middle Initial) or Full Organization Name
A. Tyrell, Olenna

Mailing Address
1700 Sea Breeze Ct.

City **Ashai** State **CA** Zip Code **95000**

FEC ID number of contributing federal political committee. **C**

Name of Employer (for Individual) **House Tyrell** Occupation (for Individual) **COO**

Receipt For:
☐ Primary ☐ General
☐ Other (specify) ▼

Date of Receipt
06 / 26 / 2019

Amount of Each Receipt this Period
\$10,000.00

☐ Memo Item

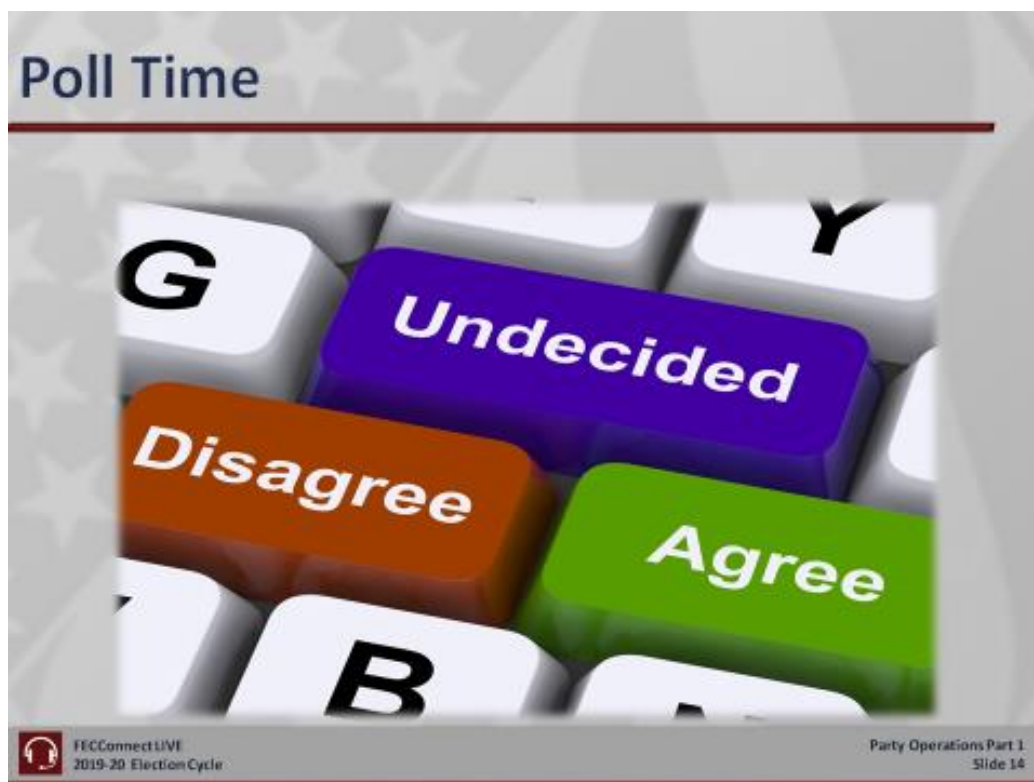
Aggregate Year-to-Date ▼
\$10,000.00

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3. When examining the check from Lady Tyrell, what “red flags” should the committee consider when deciding if the check is permissible?

Answer: Is the check a personal check? Is the check drawn on the account of a corporation or LLP? Is the address on the check a foreign address?



Poll Question #1

The California Freedom Party receives an additional \$50,000 from Olenna Tyrell for its “convention account?” May the party accept the contribution?

- ☐ Yes, state party committees can accept convention account contributions.
- ☐ No, state parties do not have additional federal accounts, national parties only.

Poll Question #1 Answer

- ☐ Yes, state party committees can accept convention account contributions.
- ☒ **No, state parties do not have additional federal accounts, national parties only. – CORRECT ANSWER**



II. Contribution Exemption: Volunteer Services (*Guide*, pp. 27-28)

A. Services of Individual Volunteer

No limit on services provided without compensation by any individual.
11 CFR 100.74.

B. Use of Real or Personal Property (e.g., home or personal computer)

1. Unlimited when Used for Volunteer Services (11 CFR 100.75)

2. Use of Home or Community Room for Event

- a) Individual may spend up to \$2,000/year for food, beverage and invitations in connection with event held at above locations.
11 CFR 100.77.

- b) Community room must be used on a regular basis by community for non-commercial purposes and must be available regardless of political affiliation.
- c) Nominal fee paid for use of community room is not a contribution.

C. Unreimbursed Travel

Individual may spend up to \$2,000/year for his/her own unreimbursed travel on behalf of the party. 11 CFR 100.79.

Food/Beverage Discount

- ▣ Charge must \geq actual cost to vendor
- ▣ Discount limited to \$2,000/year
- ▣ Vendor may be incorporated



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III. Contribution Exemption: Food/Beverage Vendor Discounts (*Guide*, p. 28)

A. How Exemption Works

Food and beverage vendors may sell food or beverages at a discount, provided that:

1. Charge must at least equal actual cost to vendor.
2. Discount may not exceed \$2,000/year. 11 CFR 100.78 and 114.1(a)(2)(v).

B. Vendor May be Incorporated

Legal & Accounting Services

- ▣ Services cannot further election of candidate
- ▣ Person paying for the services is the employer
- ▣ Employer does not hire a replacement
- ▣ Party must report name of provider, date of service and value



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IV. Contribution Exemption: Free Legal and Accounting Services (*Guide*, p. 27)

A. Provided by Employers

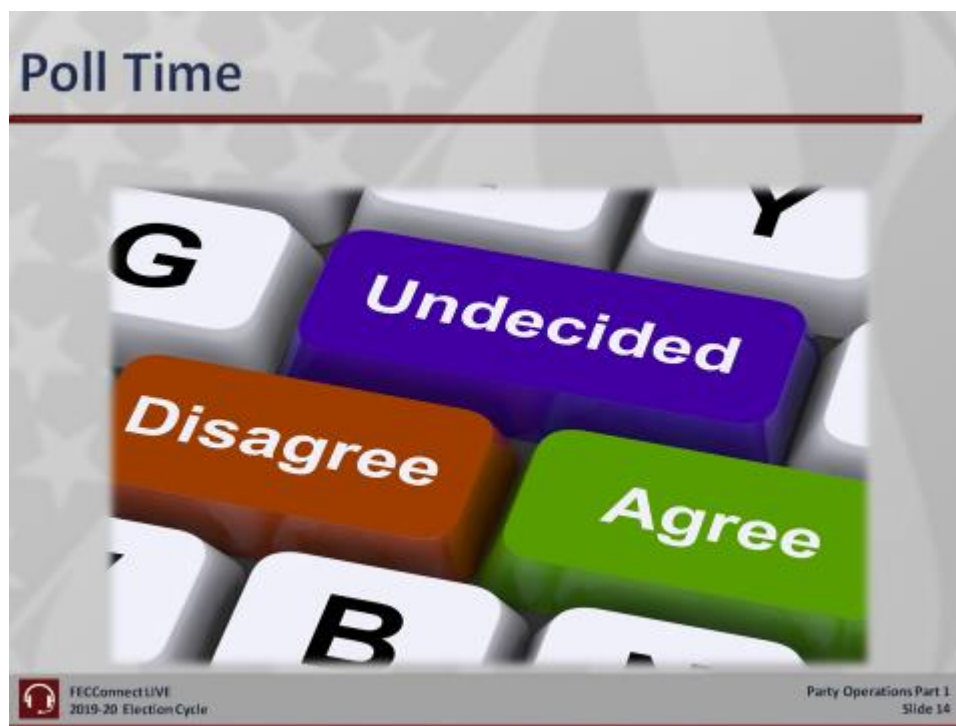
An employer (e.g., law or accounting firm) may provide unlimited legal and accounting services as long as certain conditions are met.

B. Conditions for Exemption

1. Services may not directly further election of specific federal candidate.
2. Entity paying for services must be regular employer of individual performing the service.
3. Employer may not hire additional employees to free regular employees to perform the service.

C. Reporting

Party must report name of provider, date of service and value. Report the value of services received by using a memo entry on Schedule A of Form 3X. 11 CFR 100.85, 104.3(h) and 114.1(a)(2)(vi).



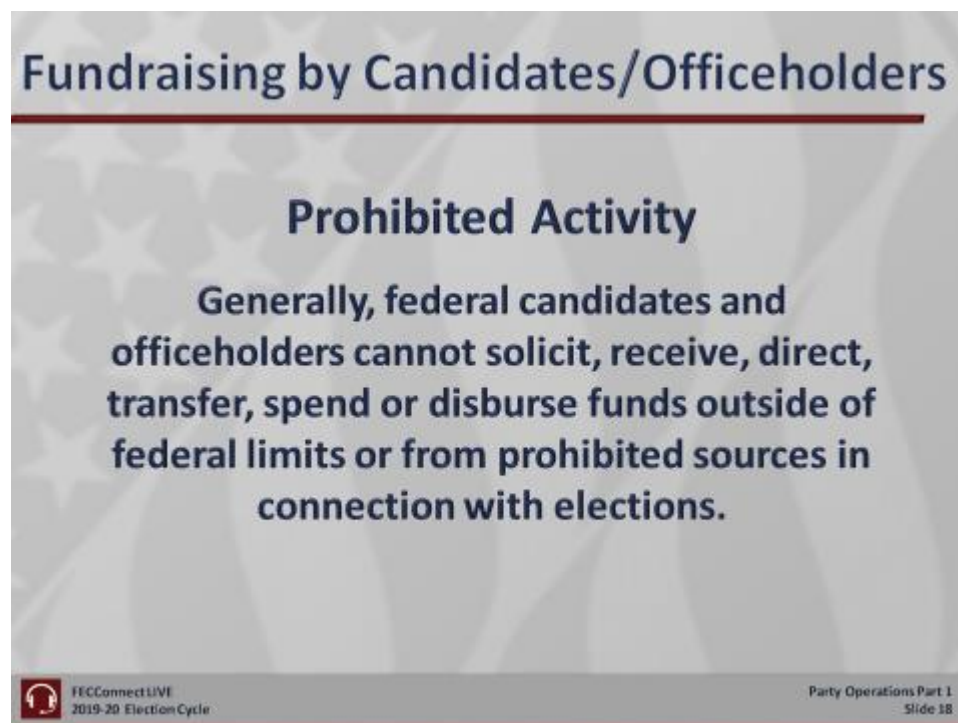
Poll Question #2

A California Freedom Party volunteer spends \$4,000 on food, beverages and invitations for a party fundraising event at her home. How should the party treat the volunteer's expenditures?

- ☐ Report all \$4,000 as an in-kind contribution
- ☐ \$2000 is reported as an in-kind contribution; \$2,000 falls under the volunteer exemption for food, beverages and invitations
- ☐ None of the \$4,000 is reported

Poll Question #2 Answer

- ☐ Report all \$4,000 as an in-kind contribution
- ☒ **\$2,000 is reported as an in-kind contribution; \$2,000 falls under the volunteer exemption for food, beverages and invitations – CORRECT ANSWER**
- ☐ None of the \$4,000 is reported



V. Participation by Federal Candidates and Officeholders at Nonfederal Fundraising Events (11 CFR 300.60 – 300.65)

A. Fundraising Restrictions (*Guide*, pp. 22-23)

1. In Connection with Federal Elections

The persons described below may not solicit, receive, direct, transfer, spend or disburse funds in connection with Federal elections unless the amounts consist of Federal funds that are subject to the limitations, prohibitions, and reporting requirements of the Act. 11 CFR 300.61.

2. In Connection with Nonfederal Elections

In addition, the persons described below may solicit, receive, direct, transfer spend or disburse funds in connection with any nonfederal election, only in amounts and from sources that are consistent with state law, and that do not exceed the Act's contribution limits or come from prohibited sources under the Act. 11 CFR 300.62.

B. Application

The fundraising restrictions apply to the following:

- 1. Federal candidates;**
 - 2. Individuals holding federal office;**
 - 3. Agents acting on behalf of federal candidate or individual holding federal office. (See AO 2003-10); and**
 - 4. Entities directly or indirectly established, financed, maintained or controlled by, or acting on behalf of, one or more federal candidates or individuals holding federal office (e.g., a Leadership PAC).**
- See AO 2003-12 and 11 CFR 300.60.

Party Nonfederal Fundraisers

Candidate/Officeholder may:

- ▣ **Attend, speak or be a featured guest at event where nonfederal or Levin funds are raised**
- ▣ **Solicit funds at event only if solicitation limited to federal funds**
 - **Written notice limiting solicitation to federal funds OR**
 - **Oral statement limiting solicitation to federal funds**
 - **Must be clear and conspicuous; Not clear and conspicuous if difficult to read or hear or if placement is easily overlooked**

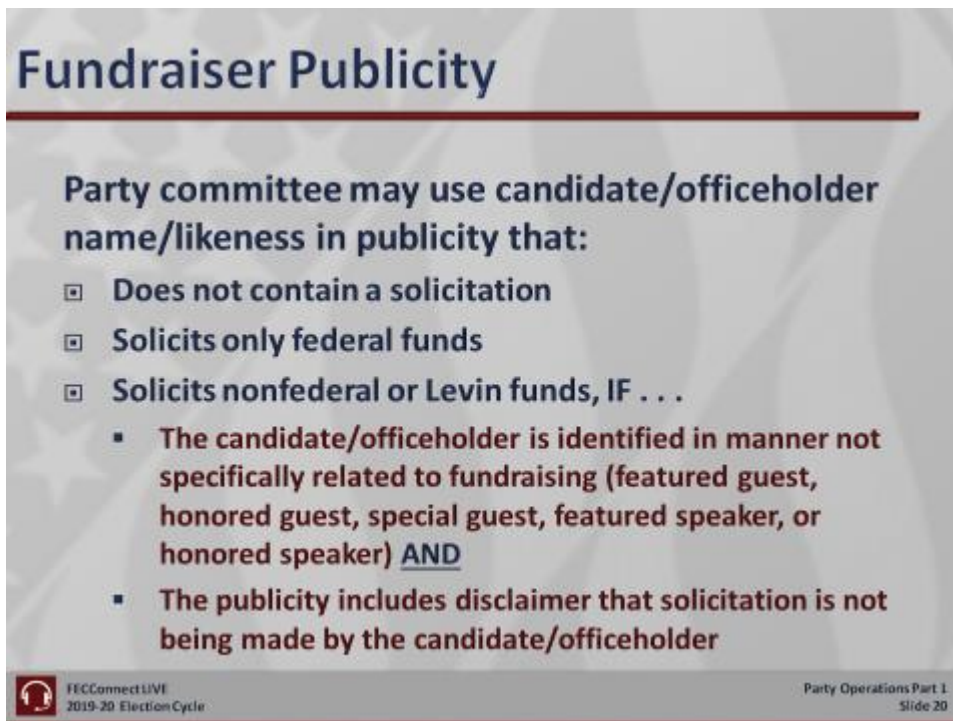
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C. Attendance at Nonfederal Fundraising Event (11 CFR 300.64(b))

A Federal candidate or officeholder may:

- 1. Attend, speak at, or be a featured guest at a nonfederal fundraising event.**

2. Solicit funds at a nonfederal fundraising event, provided that the solicitation is limited to funds that comply with the amount limitations and source prohibitions of the Act and that are consistent with State law.
 - a) A Federal candidate or officeholder may limit such a solicitation by displaying at the fundraising event a clear and conspicuous written notice, or making a clear and conspicuous oral statement, that the solicitation is not for Levin funds (when applicable), does not seek funds in excess of \$[Federally permissible amount], and does not seek funds from corporations, labor organizations, national banks, federal government contractors, or foreign nationals.
 - b) A written notice or oral statement is not clear and conspicuous if it is difficult to read or hear or if its placement is easily overlooked.

A presentation slide titled "Fundraiser Publicity" with a dark blue header. The main text states: "Party committee may use candidate/officeholder name/likeness in publicity that:". Below this are three bullet points, each preceded by a square icon: "Does not contain a solicitation", "Solicits only federal funds", and "Solicits nonfederal or Levin funds, IF . . .". Under the third bullet point are two sub-bullets: "The candidate/officeholder is identified in manner not specifically related to fundraising (featured guest, honored guest, special guest, featured speaker, or honored speaker) AND" and "The publicity includes disclaimer that solicitation is not being made by the candidate/officeholder". The slide has a footer with the FECConnect LIVE 2019-20 Election Cycle logo on the left and "Party Operations Part 1 Slide 20" on the right.

Fundraiser Publicity

Party committee may use candidate/officeholder name/likeness in publicity that:

- ▣ Does not contain a solicitation
- ▣ Solicits only federal funds
- ▣ Solicits nonfederal or Levin funds, IF . . .
 - The candidate/officeholder is identified in manner not specifically related to fundraising (featured guest, honored guest, special guest, featured speaker, or honored speaker) AND
 - The publicity includes disclaimer that solicitation is not being made by the candidate/officeholder

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- D. Publicity for Nonfederal Fundraising Events (11 CFR 300.64(c))**
(Publicity for a nonfederal fundraising event includes, but is not limited to, advertisements, announcements, or pre-event invitation materials, regardless of format or medium of communication.)
- 1. Publicity That Does Not Contain a Solicitation**
A federal candidate or officeholder or an agent of either may approve, authorize, agree to, or consent to the use of his or her name or likeness in publicity for a nonfederal fundraising event that does not contain a solicitation.


2. **Publicity Containing Solicitation Limited to Federal Funds**

A federal candidate or officeholder or an agent of either may approve, authorize, agree to, or consent to the use of his or her name or likeness in publicity for a nonfederal fundraising event that solicits only funds that comply with the amount limitations and source prohibitions of the Act.

Fundraiser Publicity

Even if the communication includes a disclaimer . . .

- ▣ **MAY NOT** use candidate/officeholder name or likeness in publicity that solicits nonfederal funds if he/she:
 - Serves in a position specifically related to fundraising;
 - Is extending an invitation to the event; OR
 - Signs the communication



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3. **Publicity Containing Solicitation of Nonfederal Funds**

A federal candidate or officeholder or an agent of either may approve, authorize, agree to, or consent to the use of his or her name or likeness in publicity for a nonfederal fundraising event that contains a solicitation of funds outside the amount limitations and source prohibitions of the Act or Levin funds **ONLY** if:

- a) The federal candidate or officeholder is identified as a featured guest, honored guest, special guest, featured speaker, or honored speaker, or in any other manner not specifically related to fundraising; **AND**
- b) The publicity includes a clear and conspicuous disclaimer that the solicitation is not being made by the Federal candidate or officeholder. 11 CFR 300.64(c)(3)(i)(B).

Fundraiser Publicity

- ▣ Candidate/officeholder may not disseminate publicity for nonfederal fundraiser that includes a solicitation of nonfederal/Levin funds by someone other than the candidate/officeholder.



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E. Disclaimers on Publicity

1. Clear and Conspicuous

a) On Written Publicity

The clear and conspicuous disclaimer required by 11 CFR 300.64(c)(3)(i)(B) must meet the existing requirements in 11 CFR 110.11(c)(2) (i.e., contained in a box set apart from the rest of the communication) if the publicity is written. **Disclaimer requirements discussed in the *Basics for Beginners* workshop.**

b) On Non-written Publicity

Where publicity is disseminated by non-written means, the clear and conspicuous disclaimer is required only if the publicity is recorded or follows any form of written script.

c) Examples

Examples of clear and conspicuous disclaimers include, but are not limited to:

- “[Name of Federal candidate/officeholder] is appearing at this event only as a featured speaker. [Federal candidate/officeholder] is not asking for funds or donations;” or
- “All funds solicited in connection with this event are by [name of nonfederal candidate or entity], and not by [Federal candidate/officeholder].”

d) Use of Fundraising Titles/Candidate Signature

A Federal candidate or officeholder or an agent of either may not approve, authorize, agree to, or consent to the use of his or her name or likeness in publicity for a nonfederal fundraising event that contains a solicitation of funds outside the amount limitations and source prohibitions of the Act or Levin funds if:

- (1) The Federal candidate or officeholder is identified as serving in a position specifically related to fundraising, such as honorary chairperson or member of a host committee, or is identified in the publicity as extending an invitation to the event, even if the communication contains a written disclaimer as described in paragraph (c)(3)(i)(B) of this section; OR
- (2) The Federal candidate or officeholder signs the communication, even if the communication contains written disclaimer as described in paragraph (c)(3)(i)(B) of this section.

e) Dissemination by Federal Candidate or Agents

A Federal candidate, officeholder, or an agent of either, may not disseminate publicity for a nonfederal fundraising event that contains a solicitation of funds outside the amount limitations and source prohibitions of the Act or Levin funds by someone other than the Federal candidate or officeholder.

Examples of Permissible Solicitations:

Example: Permissible

Note: Federal candidates & officeholders may be identified in any role or manner on publicity that does not contain a solicitation

No solicitation

The California Freedom Party
(nonfederal account)
cordially invites you to an event with
HONORARY CHAIR
U.S. REPRESENTATIVE SANSA STARK
Friday, June 8th, 7 P.M.
Breakers Hotel
1234 Fortuna Avenue

Paid for by the California Freedom Party and not authorized
by any candidate or candidate's committee.
www.CAfreedomparty.com

Because this example does not contain a solicitation, no additional disclaimer is required other than any existing applicable federal disclaimer.

(This example does not address any other applicable requirement under State law.)



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Example: Permissible

Federal officeholder must be identified in a non-fundraising role because this contains a solicitation outside the federal amount limitations

Contains a solicitation outside the federal amount limits and source prohibitions

The California Freedom Party
(nonfederal account)
cordially invites you to a fundraiser with:
HONORED SPEAKER
U.S. SENATOR ROBB STARK
Friday, June 8th, 7 P.M.
Breakers Hotel
1234 Fortuna Avenue

Please RSVP with your \$25,000 contribution to (123) 456-7890.
Make checks payable to the California Freedom Party.

All solicitations of funds in connection with this event are by the
California Freedom Party and not by Senator Stark. Paid for by
the California Freedom Party and not authorized by any
candidate or candidate's committee. www.CAfreedomparty.com

Includes a solicitation outside the federal limits and prohibitions, so it needs a clear & conspicuous disclaimer that the solicitation is not being made by the federal officeholder.

The solicitation disclaimer may be placed in the same box as any other applicable federal disclaimer. Though not included in this example, any disclaimer required under state law, should be placed outside of the federal box.



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Example of an Impermissible Solicitation:

Example: Impermissible

U.S. Senator Robb Stark cordially invites you to a fundraising event for the California Freedom Party (nonfederal account).

Friday, June 8th, 7 P.M.
Breakers Hotel
1234 Fortuna Avenue


Please RSVP with your \$25,000 contribution to (123) 456-7890. Make checks payable to the California Freedom Party (nonfederal account).

All solicitations of funds in connection with this event are by the California Freedom Party and not by Senator Stark. Paid for by the California Freedom Party and not authorized by any candidate or candidate's committee. www.CAfreedomparty.com

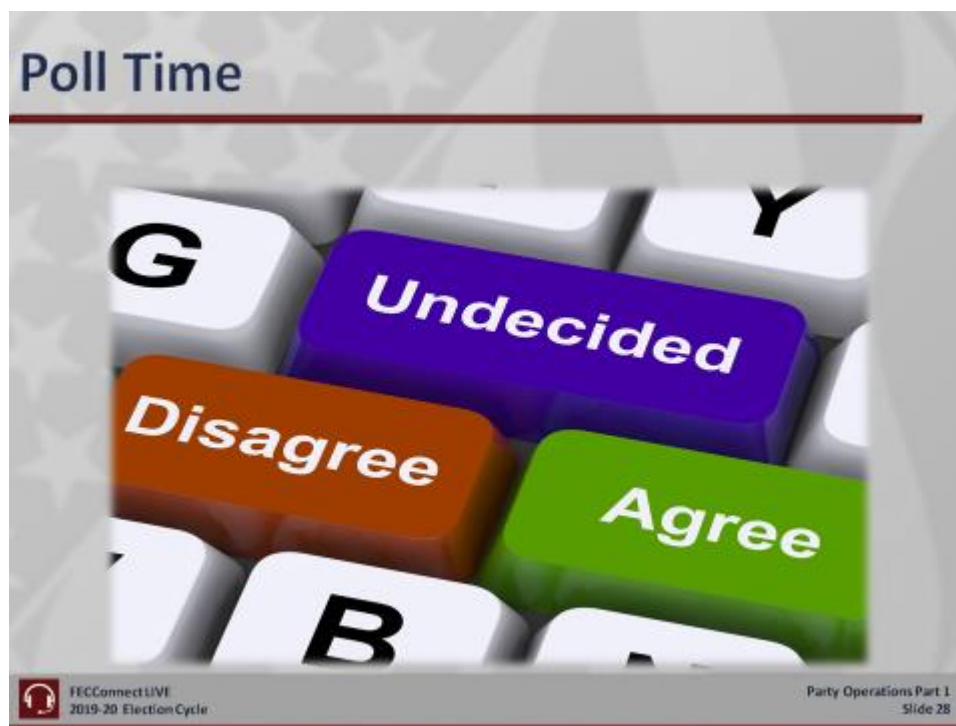
Contains a solicitation outside the federal amount limits and source prohibitions

Federal officeholder impermissibly extends invitation on publicity containing a solicitation for funds outside the federal limits and prohibitions.

This problem cannot be "cured" by including a disclaimer that the impermissible solicitation is not being made by the federal officeholder.

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Poll Question #3

The California Freedom Party would like to send invitations to host a fundraising drive with U.S. Senator Robb Stark serving as the honorary chair. Is this permissible?

- ☐ Yes, but only if the Senator solicits funds within the federal limits and prohibitions
- ☐ Yes, they are always allowed to serve as a chair of a fundraising drive for a state party
- ☐ No, officeholders and candidates may never raise money for any political party.

Poll Question #3 Answer

The California Freedom Party would like to send invitations to host a fundraising drive with U.S. Senator Robb Stark serving as the honorary chair. Is this permissible?

- ☒ **Yes, but only if the Senator solicits funds within the federal limits and prohibitions – CORRECT ANSWER**
- ☐ Yes, they are always allowed to serve as a chair of a fundraising drive for a state party
- ☐ No, officeholders and candidates may never raise money for any political party.

PART B: SPENDING PARTY FUNDS

Supporting Federal Candidates

- ▶ Contributions
- ▶ Exempt Activities
- ▶ Coordinated Party Expenditures
- ▶ Independent Expenditures
- ▶ Federal Election Activities (FEA)

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Contribution Limits

2019-20 Cycle	House Candidate	Senate Candidate
National May Give:	\$5,000/election	\$5,000/election (plus \$49,600 from Nat'l & SCC / campaign)
State and Registered Local May Give:	\$5,000/election (combined limit)	\$5,000/election (combined limit)
Unregistered Local May Give:	\$2,800/election; will trigger registration	\$2,800/election; will trigger registration



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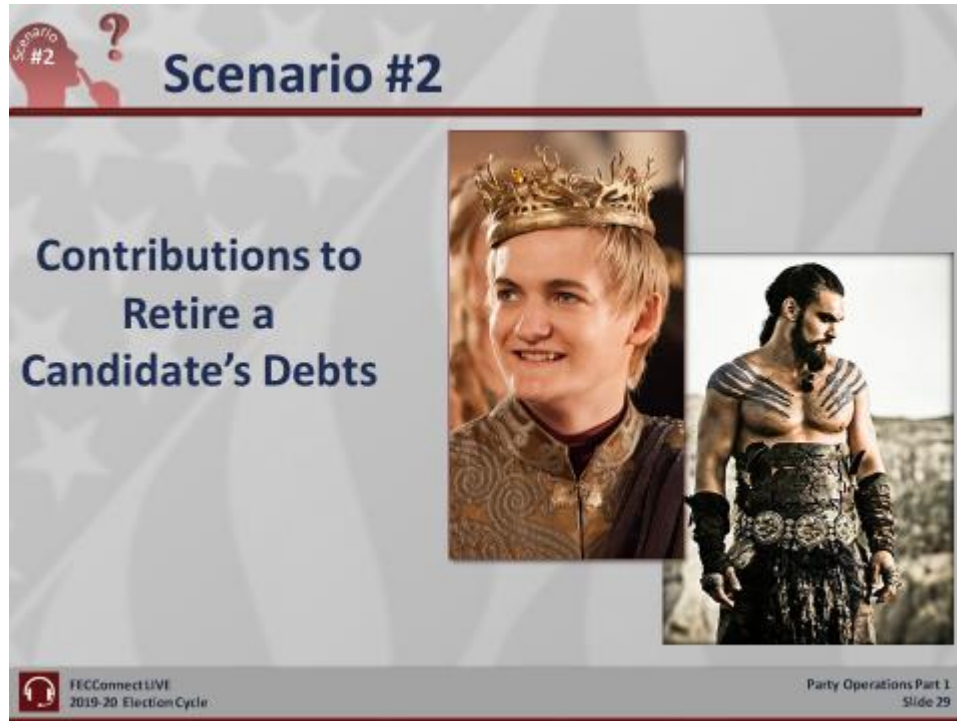
I. Contribution Limitations from Party Committees (11 CFR 110.1 and 110.2) (Guide pp. 35-40)

A. By National Party Committees

1. **To Congressional Candidates** – Each may contribute \$5,000 per election, per candidate. 11 CFR 110.2(b).
2. **To Senatorial Candidates**
 - a) National Committee plus Senatorial Campaign Committee together may contribute \$49,600/campaign. (Note: indexed for inflation.) 11 CFR 110.2(e).
 - b) Congressional Campaign Committee may contribute \$5,000/election. 11 CFR 110.2(b).

B. By State, District and Local Party Committees

1. **To Congressional and Senatorial Candidates**
 - a) \$5,000 per election, if multicandidate. 11 CFR 110.2(b).
 - b) \$2,800 per election, if not multicandidate committee. 11 CFR 110.1(b).
 - c) Limit shared with all federally registered local party committees within the state. 11 CFR 110.3(b)(3).
2. **Made by Unregistered Local Party Organizations**
May contribute \$2,800/election (indexed for inflation), BUT
 - a) Permissible funds must be used.
 - b) Counts towards \$1,000/calendar year registration threshold. 11 CFR 100.5(c) and 110.1(b). See also AOs 2005-02 and 1999-04.



Scenario #2

Contributions to Retire a Candidate's Debts

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Reporting Scenario #2 - Reporting Contributions to Federal Candidates

Congressman Khal Drogo was unsuccessful in his 2018 reelection campaign and lost his seat to newcomer, Joffrey Baratheon. Congressman Drogo's campaign has a significant amount of general election debt remaining and the California Freedom Party would like to help the campaign pay it down.

Under what circumstances may the Freedom Party make a contribution to retire Congressman Drogo's general election debt? Are there any special reporting rules?

Scenario #2 Answer:

Contribution to Retire Debt

SCHEDULE B (FEC Form 3X)		Use separate schedule(s) for each category of the Detailed Summary Page		FOR LINE NUMBER: (check only one)		PAGE OF	
ITEMIZED DISBURSEMENTS		<input type="checkbox"/> 21b <input type="checkbox"/> 22 <input checked="" type="checkbox"/> 23 <input type="checkbox"/> 26 <input type="checkbox"/> 27		<input type="checkbox"/> 28a <input type="checkbox"/> 28b <input type="checkbox"/> 28c <input type="checkbox"/> 29 <input type="checkbox"/> 30b			
Any information copied from such Reports and Statements may not be sold or used by any person for the purpose of soliciting contributions or for commercial purposes, other than using the name and address of any political committee to solicit contributions from such committee.							
NAME OF COMMITTEE (In Full) California Freedom Party							
Full Name (Last, First, Middle Initial) A. Friends of Drogo 2018				Date of Disbursement MM / DD / YYYY 05 / 30 / 2019			
Mailing Address 1000 Evergreen Street				FEC Identification Number C			
City Khalasar		State CA		Zip Code 94000		Amount of Each Disbursement this Period \$2,000.00	
Purpose of Disbursement 011				Category/Type 011			
Candidate Name Khal Drogo				Memo Item <input type="checkbox"/>			
Office Sought: <input checked="" type="checkbox"/> House <input type="checkbox"/> Senate <input type="checkbox"/> President		Disbursement For: <input type="checkbox"/> Primary <input checked="" type="checkbox"/> General <input type="checkbox"/> Other (specify) ▼ 2018 General Debt Retirement					
State: CA District: 9							

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Under what circumstances may the Freedom Party make a contribution to retire Congressman Drogo's general election debt? Are there any special reporting rules?

Answer: The party may make the contribution if the committee has not already maxed out on its contribution limit to this candidate for the general election 2018. For contributions made to retire debt, be sure to designate the contribution(s) specifically for debt retirement for that particular election. Contributions to candidates are reported on Line 23 of FEC Form 3X.

Exempt Activities

Key Facts:

- ▣ **Contribution limits do not apply**
- ▣ **Must use federally permissible funds**
- ▣ **Count toward \$5,000 exempt activity registration threshold**



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II. Exempt Party Activities (*Guide*, pp. 49-50)

A. Special Features of Party Exempt Activities

1. **Volunteer-Intensive**
2. **Unlimited**
Not subject to contribution or coordinated expenditure limits, provided criteria listed below are met.
3. **Use Federal funds for portions allocable to federal candidates**
4. **Subject to \$5,000 Registration Threshold (11 CFR 100.5(c))**
5. **Disclaimer Required (11 CFR 110.11(e))**
 - a) Must state that party paid for communication.
 - b) Disclaimer does not need to state whether the communication is authorized by a candidate or any authorized committee.

Slate Cards / Sample Ballots

To be Exempt:

- ▣ Must name ≥ 3 candidates
- ▣ No general public political advertising (except direct mail)
- ▣ Content limited
 - Name of candidate
 - Office held/sought
 - Party affiliation



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- B. Three Specific “Exempt Party Activities:”**
- 1. Slate Card/Sample Ballot/Palm Card (11 CFR 100.80 and 100.140)**
 - a) Must name 3 or more candidates for any public office;
 - b) No general public political advertising, except direct mail (defined as commercial vendor or commercial lists); and
 - (1) Content restricted to identification of candidates, office currently held, office sought and party affiliation. Excessive biographical information, information on candidate positions or statements of party philosophy fall outside of the exemption.
 - (2) Photographs and computer graphics may be used. See AO 2008-06 for more information.

Campaign Materials

To be Exempt:

- ▣ Only for general election nominees
- ▣ Distributed by volunteers
- ▣ No general public political advertising
- ▣ Paid for by local/state party committee
- ▣ Party may not use:
 - Funds designated for a candidate
 - Funds or materials provided by National committee for purchase of the materials



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2. Campaign Materials (11 CFR 100.87 and 100.147)

(Includes pins, bumper stickers, brochures, yard signs, posters, newsletters and party tabloids)

- a) Activity may only be conducted for the general election on behalf of the party's nominees.
- b) Party committee must use volunteers to distribute;
- c) No public political advertising, no direct mail;
- d) Payment for materials must be made by party committee. Any payment by state candidate committee to party for state candidate's share of materials is not a contribution to the party;
- e) Payments may not be made from funds designated for a particular candidate; and
- f) Payments may not be made from funds provided by National committee for purchase of the materials, nor can the National committee provide the materials.
- g) In AO 2010-01, the Commission approved a state party committee's payment for and distribution by volunteers of exempt campaign materials on behalf of a state party's "presumptive nominees" before the primary election was held, but only after the date that the party is able to identify its presumptive nominee.

GOTV - Voter Registration

To be Exempt:

- ▣ **Only Presidential/VP candidates mentioned**
 - **Contribution results if other candidates identified**
- ▣ **No general public political advertising**
- ▣ **Phone bank activity exempt if operated by volunteers**
- ▣ **No payment with:**
 - **Funds designated for a candidate or**
 - **Funds donated by national committee**



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3. **Presidential Voter Registration and Get-Out-the-Vote Drives (11 CFR 100.89 and 100.149)**

- a) In order to be exempt, only the Presidential and Vice-Presidential nominees may be specifically mentioned and targeted;
- b) If the activity is also conducted on behalf of other specifically-identified candidates, must be in-kind contributions or coordinated expenditures;
- c) Phone bank activities exempt if operated by volunteers;
- d) No public political advertising, no direct mail;
- e) Payments may not be made from funds designated for a particular candidate; and
- f) Payments may not be made from funds donated by the National committee for voter registration and GOTV activities.

Paying for Exempt Activities

- ▣ **Allocate federal/nonfederal funds ONLY if:**
 - **Activity mentions both federal/nonfederal candidates**
- ▣ **If exempt activity meets one or more definitions of FEA:**
 - **Still “exempt” from contribution/expenditure**
 - **Must be paid as FEA (100% federal)**



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4. Payment for Exempt Activities

a) Allocation of Exempt Activity

- (1) If conducted in conjunction with nonfederal activity, may allocate the costs of Exempt Activity between Federal and nonfederal funds. 11 CFR 106.7(d)(3).
- (2) May NOT allocate between Federal and nonfederal funds any Exempt Activity that mentions ONLY Federal candidates. 11 CFR 106.7(e)(1).
- (3) **Example:** A slate card that lists only candidates for Federal office and does not list a candidate for nonfederal office.

b) Exempt Activity that is also FEA (11 CFR 100.24(b)(3) and 300.33(a)(1) and (2))

- (1) If Exempt Activity also meets one of the definitions of FEA, such activity is still exempt from the definition of “contribution” and “expenditure” (i.e., activity is unlimited). However, the activity must be paid for as FEA, i.e., with Federal funds. 11 CFR 100.24(b)(3) and 300.33(a)(1) and (2).
- (2) **Example:** A Presidential Get-Out-the-Vote Drive phone bank may qualify as Exempt Activity under 100.89 and 100.149. However, such a phone bank may also qualify as a “public communication that PASOs a Federal candidate,” which is Type 3 FEA. Though Exempt Activity may be allocated between Federal and nonfederal funds, this activity also qualifies as Type 3 FEA, which is not allocable; must use 100% Federal funds.



Poll Question #4

Two weeks before the November 3rd general election, a county party wants to run an ad in the local newspaper that would feature an image of what the ballot will look like when voters go to the polls. Can the county party treat this as an exempt party activity?

- ☐ Yes, this activity qualifies as exempt party activity.
- ☐ No, newspaper/magazine/TV ads, etc. do not qualify as exempt activity. The party could still do the activity, it just would not be considered exempt.

Poll Question #4 Answer

- ☐ Yes, this activity qualifies as exempt party activity.
- ☒ **No, newspaper/magazine/TV ads, etc. do not qualify as exempt activity. The party could still do the activity, it just would not be considered exempt. – CORRECT ANSWER**

Coordinated Party Expenditures

- ▣ Additional limit for coordinated spending
- ▣ Funds spent by party
- ▣ On behalf of general election nominee
- ▣ Separate limits apply; may designate limit to other party committee
- ▣ Party reports; candidate does not
- ▣ Disclaimer required

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III. Coordinated Party Expenditures (11 CFR 109.32 through 109.37)

(*Guide*, pp. 47-49)

Expenditures made by a party committee on behalf of its nominee in the general election. Committees have a “coordinated party expenditure” limit (calculated each election cycle) that is *separate* from its contribution limit to the candidate.

Expenditures may range from paying bills for candidate to paying for “coordinated communications” on behalf of the candidate.

A. In Connection With General Election of Party’s Candidates

May be made *before* candidate has been nominated (11 CFR 109.34).

Coordinated Party Expenditures

- ▣ **National Party Committee**
 - **Limit for House, Senate, Presidential candidates**
- ▣ **State Party Committee**
 - **Limit for House, Senate candidates**
 - **Presidential candidates (only if designated)**
- ▣ **Local/District Party Committee**
 - **No coordinated party spending authority unless designated**



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- B. Who Makes Them (11 CFR 109.32(b)):**
- 1. National Party Committee**
For House, Senate and Presidential candidates.
 - 2. State Party Committee**
 - a) For House and Senate candidates.
 - b) For Presidential candidates, but *only* if designated, in advance and in writing, by the national committee.
 - 3. Local or District Party Committee**
 - a) For House, Senate, Presidential candidates but
 - b) *Only if designated, in advance and in writing*, by national or state committee, as appropriate.

Coordinated Party Expenditures

Designation of Spending Authority:

- ▣ In advance
- ▣ In writing
- ▣ Keep written designation for 3 years
- ▣ Monitor expenditures made by designated agents



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C. Designation

1. Committee may designate other party committees to spend **against** its limit.
2. Must be done in advance and in writing.
3. Must be received by the **designee** committee *before* any expenditure is made.
4. Retain, for recordkeeping **purposes**, copy of written designation for three years.

D. Payment

Party committee makes actual payment to the vendor—funds may not be given directly to the candidate's campaign committee.

Coordinated Party Expenditures

- ▣ **House Candidates**
 - **\$10,000 increased by COLA, or the Senate limit for states with only one representative**
- ▣ **Senate Candidates**
 - **\$20,000 increased by COLA, or the State's VAP x \$.02 increased by COLA**
- ▣ **Presidential Candidates**
 - **National VAP x \$.02 increased by COLA**



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Coordinated Party Expenditures

- ▣ **House Candidates (2019)**
 - **\$50,900 (\$101,900 states with one representative)**
- ▣ **Senate Candidates (2019)**
 - **Range from \$101,900 to \$3,113,400**
- ▣ **Presidential Candidates (2016)**
 - **\$23,821,100**



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E. Limits (based on formula):

1. Separate Limits for State and National parties.

2. For Congressional Candidates

\$10,000 plus Cost-of-Living Adjustment (COLA) (**2019 limit:** \$50,900 [\$101,900 for states with only one Congressional district]).

3. **For Senate Candidates**
\$20,000 plus COLA or the state VAP x \$.02 plus COLA, whichever is greater (e.g., 2019 state limits range from \$101,900 in lesser populated states to \$3,113,400 in California).
4. **For Presidential Candidate**
National VAP x \$.02 plus COLA (2016 limit = \$23,821,100).
5. **2019 limits can be found on FEC website at**
<https://www.fec.gov/help-candidates-and-committees/making-disbursements-political-party/coordinated-party-expenditures/coordinated-party-expenditure-limits/>

F. Reporting

1. Reported by party on Schedule F.
2. Candidate committee does not report the benefit of the activity.

G. Use only Federal Funds

Party must make expenditure from its federal account.

Coordinated Party Expenditures

Disclaimer on Public Communications:

- ▣ Name of party committee paying for message
- ▣ If communication made with nominee's approval, authorization statement required
- ▣ Subject to disclaimer rules for printed communications



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H. Disclaimer Requirements for Public Communications (11 CFR 110.11(d))
(*Guide*, pp. 64-66)

1. Disclaimer Must State:

- a) Name of party committee that paid for communication; and
- b) If made with the approval of the candidate, that the communication is authorized by the candidate or his/her committee (not necessary if communication disseminated before candidate's nomination; see 11 CFR 110.11(d)(1)(ii)).

2. Not Subject to "Stand by Your Ad" Rules Requiring Voiceover/Appearance by Candidate.

3. Subject to Rules for Printed Communications.

Coordination

- ▣ If communication is coordinated, considered in-kind contribution or coordinated party expenditure, subject to limits
- ▣ Coordination three-part test:
 - ✓ Source of payment;
 - ✓ “Content standard” re: timing and subject matter of communication; AND
 - ✓ “Conduct standard” re: interaction between campaign and payee.



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I. Three-Prong Coordinated Communication Test (11 CFR 109.37 and 109.21(d)) (*Guide*, pp. 59-62)

1. Three-Pronged Test Overview:

- Source of payment;
- Content is republication of candidate material, express advocacy or communication made that refers to a clearly identified candidate; and
- Conduct involves the candidate or the candidate’s agents in request or suggestion, material involvement, or substantial discussion, or involves republication of candidate material, use of common vendor, or use of prior employee or contractor.

Three-Part Coordination Test

Source of payment

- ▣ **Party committee**



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2. **Source of Payment**

The source of payment for a coordinated party expenditure is the political party committee making the expenditure.

Three-Part Coordination Test

Content Standard

▣ Meeting one of these:

- Electioneering Communication
- Republication of Campaign Materials
- Express Advocacy
- Public Communication within Certain Time Frame before Election



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3. **“Content Standard”**

Will satisfy test if communication meets any one of these standards:

- a) **“Electioneering Communication”;**
- b) **Public Communication that Republishes, Disseminates or Distributes Candidate-Prepared Campaign Materials;**
- c) **Public Communication with Express Advocacy; or**
- d) **Public Communication within Certain Time Frame Before Election (No express advocacy required)**
 - (1) Refers to clearly identified candidate;
 - (2) Is directed to voters in the jurisdiction of the clearly identified candidate or to voters in a jurisdiction where one or more candidates of the political party appear on the ballot.

Time Frames

1. House/Senate candidates: ≤ 90 days before primary or general election
2. Presidential candidates: 120 days before primary through date of general election
3. Political parties:
 - Midterm cycle (2022): < 90 days before primary or general election
 - Presidential cycle (2020): < 120 days before primary through the general election



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(3) Time Frames

- Senate and House candidates = 90 days before a primary or general election.
- Presidential candidates = 120 days before the primary through the date of the general election on a state-by-state basis.
- Political parties = 90 days before a primary or general election in a midterm election cycle (2022) and 120 days before the primary running through the date of the general election in a presidential election cycle (2020).

Three-Part Coordination Test

Conduct Standard

- ▣ Request or Suggestion
- ▣ Material Involvement
- ▣ Substantial Discussion
- ▣ Common Vendor
- ▣ Former Employee/Independent Contractor



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4. “Conduct Standard”

Will satisfy test if communication meets any one of these five standards:

- a) **Request or Suggestion (11 CFR 109.21(d)(1))**
- b) **Material Involvement (11 CFR 109.21(d)(2))**
- c) **Substantial Discussion (11 CFR 109.21(d)(3))**
- d) **Employment of Common Vendor During Previous 120 days (11 CFR 109.21(d)(4))**
- e) **Use of Former Employee/Independent Contractor During Previous 120 days (11 CFR 109.21(d)(5))**

Three-Part Coordination Test

Source of payment

+ “Content standard”

+ “Conduct standard”

= Coordinated Communication

**= In-Kind Contribution /
Coordinated Party Expenditure**

Subject to Limits and Prohibitions



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Safe Harbors

- Endorsements/solicitations by federal candidates
- 120-day time limit for common vendor and former employee conduct standards
- Establishment and use of “firewall”
- Use of publicly available information
- Certain commercial transactions



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J. Safe Harbor for Endorsements and Solicitations by Federal Candidates

1. A public communication in which a Federal candidate endorses another candidate for Federal or nonfederal office is not coordinated with the endorsing candidate unless the public communication PASOs the endorsing candidate (or another candidate who seeks election to the same office). 11 CFR 109.21(g)(1).
2. A public communication in which a Federal candidate solicits funds for another candidate for Federal or nonfederal office, a political committee, or a charitable organization organized under 26 USC §501(c) is not coordinated unless the communication PASOs the soliciting candidate. 11 CFR 109.21(g)(2).
3. **120-day temporal limit for common vendor and former employee conduct standards**
4. **Safe harbor for establishment and use of firewall**
Written firewall policy required. Must be designed and implemented to prohibit flow of information between:
 - Employees or consultants providing services for person paying for communication;
 - Vendors currently/previously providing services to candidate/authorized committee, candidate’s opponent/authorized committee or party. 11 CFR 109.23(h).
5. **Safe harbor for use of publicly available information**

6. Safe harbor for certain commercial transactions

Federal candidate may appear in public communications in his/her capacity as a business owner or operator that existed prior to the candidacy provided that:

- The medium, timing, content and geographic distribution of the public communication(s) are consistent with public communications made prior to the candidacy; and
 - The public communication does not promote, attack, support or oppose that candidate or another candidate seeking the same office.
- 11 CFR 109.21(i).

Independent Expenditure

Definition

- ▣ **Expenditure for a communication:**
 - **Expressly advocating the election or defeat of a clearly identified candidate**
 - **Not made in cooperation, consultation, in concert with, or at the request or suggestion of a candidate or his/her agents**

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IV. Independent Expenditures (11 CFR 100.16) (*Guide*, pp. 62-63)

A. Definition

Expenditure for a communication expressly advocating the election or defeat of a clearly identified candidate, that is not made in cooperation, consultation, or concert with, or at the request or suggestion of a candidate, or his/her agents (i.e., is not coordinated). 11 CFR 100.16.

B. Unlimited

No limitation on amounts expended.

Disclaimer and Reporting

- ▣ Name of party committee paying for it
- ▣ Not authorized by any candidate or candidate's committee
- ▣ Report on Schedule E



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C. Disclaimer (*Guide*, pp. 64-66)

1. Must State:

- a) Name of party committee that paid for expenditure; and
- b) That the expenditure is not authorized by any candidate or candidate's committee. 11 CFR 110.11(d)(3).

2. Specific Disclaimer Requirements

- a) Printed communications subject to specific rules at 11 CFR 110.11(c)(1) and (2).
- b) Radio/television ads subject to special rules at 11 CFR 110.11(c)(4).


D. Reporting

- 1. Reported by party committee on Schedule E.**
- 2. Special notices required if party spends more than \$10,000 in any calendar year or more than \$1,000 in last twenty days before the election.** (*Guide*, pp. 93-95)
- 3. Special rules for reporting multistate independent expenditures at:**
<https://www.fec.gov/updates/commission-adopts-rules-for-reporting-multistate-communications/>

Scenario #3

Page A12 L.A. County Daily News September 25, 2020

DAENERYS FOR CONGRESS



**November 3, 2020
25th District**

Paid for by the California Freedom Party and
authorized by Daenerys for Congress

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Reporting Scenario #3: Coordinated Party Expenditures

Background: On September 25, 2020—a little over a month before the November 3rd general election for the 25th Congressional District in California—the California Freedom Party runs \$10,000 in advertisements in *The L.A. County Daily News* supporting the party's House candidate, Daenerys Targaryen.

1. **How would you report this ad if you had coordinated it and treated it as a Coordinated Party Expenditure assuming payment was made on September 25th?**

Scenario #3 Answer:

SCHEDULE F (FEC Form 3X) ITEMIZED COORDINATED PARTY EXPENDITURES MADE BY POLITICAL PARTY COMMITTEES OR DESIGNATED AGENT(S) ON BEHALF OF CANDIDATES FOR FEDERAL OFFICE						PAGE 1 OF 1 FOR LINE 25 OF FORM 3X	
(To be used only by Political Committees in the General Election)							
NAME OF COMMITTEE (In Full) California Freedom Party Committee							
Has your committee been designated to make coordinated expenditures by a political party committee? <input type="checkbox"/> YES <input checked="" type="checkbox"/> NO If YES, name the designating committee:				Full Name of Subordinate Committee Mailing Address City State ZIP Code			
Full Name (Last, First, Middle Initial) of Each Payee The L.A. County Daily News				<input type="checkbox"/> Memo Item Purpose of Expenditure Newspaper Ad		Category/Type <div style="border: 1px solid black; height: 20px; width: 100%;"></div>	
Mailing Address 1700 Sunburst Ave.				Date MM / DD / YYYY <div style="display: flex; justify-content: space-around;"> <div>09</div> <div>25</div> <div>2020</div> </div>		Amount <div style="display: flex; justify-content: space-between;"> \$10,000.00 </div>	
City El Segundo		State CA		Zip Code 90245		Name of Federal Candidate Supported Daenerys Targaryen	
Office Sought: <input checked="" type="checkbox"/> House <input type="checkbox"/> Senate <input type="checkbox"/> Presidential		State: CA District: 25		Aggregate General Election Expenditure for this Candidate ▶ \$10,000.00			

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- How would you report this ad if you had coordinated it and treated it as a Coordinated Party Expenditure assuming payment was made on September 25th?

Answer: Coordinated party expenditures are reported on Schedule F.

Coordinated Party Expenditures

- Itemize on Schedule F.
- If contracted but not paid, itemize as memo entry.
- Reference date of dissemination in purpose box when reporting payment on subsequent report.

Scenario #4

L.A. County Daily News
Page A20 October 13, 2020

**Don't let Cersei
Take Our Freedom!**

**ELECT
DAENERYS
TO CONGRESS**

**November 3, 2020
25th District**

Paid for by the California Freedom Party (www.cafreedom.org)
and not authorized by any candidate or campaign.

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Reporting Scenario #4: Independent Expenditures

What if the party ran several advertisements but did NOT coordinate with the candidate?

Background: On October 13, 2020—in its final campaign push before the November 3rd general election—the California Freedom Party Committee runs \$10,000 in ads in *The L.A. County Daily News* newspaper supporting its 25th District House candidate, Daenerys Targaryen. Two days later- on October 15 - the party runs \$8,000 more in ads in the *Daily News* attacking Targaryen's opponent, Cersei Lannister. Then, just a few days before the election—on October 31st—the party runs a \$5,000 radio ad on KELC-AM supporting Targaryen. Payment for all three of these ads occurred on November 20, 2020.

1. **How would you classify these ads for purposes of the law?**
2. **If they are independent expenditures, how would you report them?**
3. **How would you report these three ads if you had not coordinated them, assuming payment was again made on November 20?**

Scenario #4 Answers:

1. How would you classify these ads for purposes of the law?

Answer: If not coordinated, then they may possibly be independent expenditures or public communications (FEA). Since we will assume that the ads will expressly advocate the named candidates' election or defeat, they are independent expenditures.

Independent Expenditures

- ▣ **Date made = date disseminated**
- ▣ **48-Hour Reports**
 - **Required for:**
 - ▣ **IEs aggregating ≥ \$10,000**
 - ▣ **Made 20 days or more before an election**
- ▣ **24-Hour Reports**
 - **Required for:**
 - ▣ **IEs aggregating ≥ \$1,000**
 - ▣ **Made < 20 days but > 24 hours before an election**
- ▣ **Disclose again on next regular report**

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Commission Interpretive Rule on When Certain Independent Expenditures are Considered to be “Publicly Disseminated” for Reporting Purposes (76 FR 61254 (10/4/11))
- https://transition.fec.gov/law/cfr/ej_compilation/2011/notice_2011-13.pdf

- Applies to yard signs, mini-billboards, handbills, t-shirts, hats, buttons and similar communications.
- Reasonable dates that may be treated as date of public dissemination include, but are not limited to:
 1. The date filer receives delivery of communication;
 2. The date filer distributes communication to its members or employees for later public dissemination;
 3. The date a filer distributes the communications to its affiliate or member organizations for later public dissemination;
 4. The date as of which the filer authorizes its members or employees to display the communication; or
 5. The date of actual public dissemination, if that date is known to the filer.
- May NOT choose a date later than actual dissemination or a date after the election to which IE pertains.

2. If they are independent expenditures, how would you report them?

Answer: If not coordinated and if they contained express advocacy, yes, they would be considered independent expenditures. An independent expenditure is an expenditure for a communication that expressly advocates the election/defeat of a clearly identified candidate and that is not coordinated with a candidate or the candidate's agents. Party committees use Schedule E to report independent expenditures made.

- An independent expenditure is considered made when it is publicly distributed or otherwise publicly disseminated.
- Committees must file a **48-hour report** for independent expenditures that aggregate \$10,000 or more, per election, per office, anytime during a calendar year up to and including the 20th day before an election.
- Committees must file a **24-hour report** for independent expenditures that aggregate \$1,000 or more, per election, per office, and is made less than 20 days but more than 24 hours before the day of an election, the committee must file a 24-hour report on Schedule E disclosing the independent expenditure.
- Must disclose again, on Schedule E, on the next regular FEC report.
- Committees must report both the date of dissemination and the date of payment (and debt, if these take place during different reporting periods). In January 2014, the Commission updated its Schedule E to account for instances where the date of dissemination and the date of payment may differ, for instance where an IE may be disseminated in a different reporting period than when the bill is paid. Let's look at some different examples using our scenario.
- **Note: new rules for reporting multistate Independent Expenditures at**
<https://www.fec.gov/updates/commission-adopts-rules-for-reporting-multistate-communications/>

3. How would you report these three ads if you had not coordinated them, assuming payment was again made on November 20?

October 13 - \$10,000 newspaper ad
October 15 - \$8,000 newspaper ad
October 31 - \$5,000 radio ad

Answer: The first two ads aggregated more than \$10,000 for the calendar year for the California 25th District general election and were made **more than 20 days before election**. This triggers the requirement to file 48-hour reports on a stand-alone Schedule E *solely to indicate the date the communications were disseminated*. In this case, the requirement was triggered on October 15th, so the 48-Hour reports are due October 17th.

Initial 48-Hour Report

SCHEDULE E (FEC Form 3X)
ITEMIZED INDEPENDENT EXPENDITURES

PAGE **1** OF **1**
FOR LINE 24 OF FORM 3X

NAME OF COMMITTEE (In Full)

California Freedom Party Committee

FEC IDENTIFICATION NUMBER ▼

C 00000004

Check if ☐ New report ☒ **48-hour report** ☐ Amends report filed on

Full Name of Payee

The L.A. County Daily News

Mailing Address

1700 Sunburst Ave.

City

El Segundo

State

CA

Zip Code

90245

Purpose of Expenditure

Newspaper Ad

Category/Type

Date of Public Distribution/Dissemination

10 / 13 / 2020

Amount

\$10,000.00

Date of Disbursement or Obligation

Name of Federal Candidate:

Daenerys Targaryen

☒ Support ☐ Oppose

Office Sought: ☒ House ☐ President ☐ Senate

District: **25** State: **CA**

Calendar Year-To-Date Per Election for Office Sought

\$10,000.00


Disbursement For: ☐ Primary ☒ General ☐ Other (specify) ▶

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Initial 48-Hour Report

SCHEDULE E (FEC Form 3X) ITEMIZED INDEPENDENT EXPENDITURES			PAGE 1 OF 1 FOR LINE 24 OF FORM 3X	
NAME OF COMMITTEE (In Full) California Freedom Party Committee			FEC IDENTIFICATION NUMBER C 00000004	
Check if <input type="checkbox"/> New report <input checked="" type="checkbox"/> 48-hour report			Amends report filed on	
Full Name of Payee The L.A. County Daily News			Date of Public Distribution/Dissemination 10 / 15 / 2020	
Mailing Address 1700 Sunburst Ave.			Amount \$8,000.00	
City El Segundo	State CA	Zip Code 90245	Date of Disbursement or Obligation	
Purpose of Expenditure Newspaper Ad			Category/Type	
Name of Federal Candidate: Cersei Lannister			Office Sought: <input checked="" type="checkbox"/> House <input type="checkbox"/> President District: 25 State: CA	
Calendar Year-To-Date Per Election for Office Sought \$18,000.00			Disbursement For: <input type="checkbox"/> Primary <input checked="" type="checkbox"/> General <input type="checkbox"/> Other (specify)	



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4. Now, while we have fulfilled the notice requirement for these two communications, where else must we disclose the dissemination date of these ads?


5. So the money has not actually left our account. What else do we have to disclose in addition to the date of the independent expenditures, as disclosed on Schedule E?

4. Now, while we have fulfilled the notice requirement for these two communications, where else must we disclose the dissemination date of these ads?

Answer: On our next scheduled report (the 12 Day Pre-General in this example) using Schedule E again. They are itemized as memo entries on Schedule E, however, because we will not have paid the newspaper by the time the report is due.

Pre-General Report


SCHEDULE E (FEC Form 3X) ITEMIZED INDEPENDENT EXPENDITURES			PAGE 1 OF 1 FOR LINE 24 OF FORM 3X	
NAME OF COMMITTEE (In Full) California Freedom Party Committee			FEC IDENTIFICATION NUMBER C 00000004	
Check if <input type="checkbox"/> 24-hour report <input type="checkbox"/> 48-hour report			New report Amends report filed on	
Full Name of Payee The L.A. County Daily News			<input checked="" type="checkbox"/> Memo Item	
Mailing Address 1700 Sunburst Ave.			Date of Public Distribution/Dissemination 10 / 13 / 2020	
City El Segundo	State CA	Zip Code 90245	Amount \$10,000.00	
Purpose of Expenditure Newspaper Ad		Category/Type	Date of Disbursement or Obligation	
Name of Federal Candidate: Daenerys Targaryen		<input checked="" type="checkbox"/> Support <input type="checkbox"/> Oppose	Office Sought: <input checked="" type="checkbox"/> House District: 25 <input type="checkbox"/> President <input type="checkbox"/> Senate State: CA	
Calendar Year-To-Date Per Election for Office Sought		\$18,000.00	Disbursement For: <input type="checkbox"/> Primary <input checked="" type="checkbox"/> General <input type="checkbox"/> Other (specify)	

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Pre-General Report

SCHEDULE E (FEC Form 3X) ITEMIZED INDEPENDENT EXPENDITURES				PAGE 1 OF 1 FOR LINE 24 OF FORM 3X	
NAME OF COMMITTEE (In Full) California Freedom Party Committee			FEC IDENTIFICATION NUMBER C 00000004		
Check if <input type="checkbox"/> 24-hour report <input type="checkbox"/> 48-hour report			New report Amends report filed on		
Full Name of Payee The L.A. County Daily News			Date of Public Distribution/Dissemination 10 / 15 / 2020		
Mailing Address 1700 Sunburst Ave.			Amount \$8,000.00		
City El Segundo	State CA	Zip Code 90245	Date of Disbursement or Obligation		
Purpose of Expenditure Newspaper Ad		Category/Type	Date of Disbursement or Obligation		
Name of Federal Candidate: Cersei Lannister		<input type="checkbox"/> Support <input checked="" type="checkbox"/> Oppose	Office Sought: <input checked="" type="checkbox"/> House District: 25 <input type="checkbox"/> President <input type="checkbox"/> Senate State: CA		
Calendar Year-To-Date Per Election for Office Sought		\$18,000.00		Disbursement For: <input type="checkbox"/> Primary <input checked="" type="checkbox"/> General <input type="checkbox"/> Other (specify) ▶	



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5. So the money has not actually left our account. What else do we have to disclose in addition to the date of the independent expenditures, as disclosed on Schedule E?

Answer: Show a debt owed to the newspaper on Schedule D, supporting Line 10, on the same report (12 Day Pre-General) and on subsequent reports until it is repaid.

Reporting Debt Owed

SCHEDULE D (FEC Form 3X) DEBTS AND OBLIGATIONS Excluding Loans		(Use separate schedule(s) for each numbered line)	PAGE 1 OF 1 FOR LINE NUMBER: (check only one) <input type="checkbox"/> 9 <input checked="" type="checkbox"/> 10
NAME OF COMMITTEE (In Full) California Freedom Party Committee			
A. Full Name (Last, First, Middle Initial) of Debtor or Creditor The L.A. County Daily News		Nature of Debt (Purpose): Newspaper Ads/IEs 10/13/20 and 10/15/20	
Mailing Address 1700 Sunburst Ave.			
City El Segundo	State CA	Zip Code 90245	
Outstanding Balance Beginning This Period <div style="border: 1px solid black; padding: 2px; display: inline-block;">\$0.00</div>			
Amount Incurred This Period <div style="border: 1px solid black; padding: 2px; display: inline-block;">\$18,000.00</div>		Payment This Period <div style="border: 1px solid black; padding: 2px; display: inline-block;">\$0.00</div>	
Outstanding Balance at Close of This Period <div style="border: 1px solid black; padding: 2px; display: inline-block;">\$18,000.00</div>			



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6. What will our reporting obligations be for the radio ad run on October 31st?
7. Do we have anything left to report?

6. What will our reporting obligations be for the radio ad run on October 31st?

Answer: The third expenditure aggregates more than \$1,000 for the California District 25 general election and was made in the last 20 days of the election; therefore, it has triggered the requirement to file a 24-hour report on Schedule E, *again just a notice to report the date of dissemination*. Since the requirement was triggered on October 31, the 24-hour report is due November 1.

Initial 24-Hour Report

SCHEDULE E (FEC Form 3X) ITEMIZED INDEPENDENT EXPENDITURES				PAGE 1 OF 1 FOR LINE 24 OF FORM 3X	
NAME OF COMMITTEE (In Full) California Freedom Party Committee			FEC IDENTIFICATION NUMBER ▼ C 00000004		
<input checked="" type="checkbox"/> 24-hour report <input type="checkbox"/> 48-hour report New report Amends report filed on			M M / D D / Y Y Y Y Y Y [] [] / [] [] / [] [] [] [] [] []		
Full Name of Payee KELC-AM			Date of Public Distribution/Dissemination M M / D D / Y Y Y Y Y Y 10 / 31 / 2020		
Mailing Address 1000 Camino La Costa			Amount \$5,000.00		
City El Segundo	State CA	Zip Code 90245	Date of Disbursement or Obligation M M / D D / Y Y Y Y Y Y [] [] / [] [] / [] [] [] [] [] []		
Purpose of Expenditure Radio Ad		Category/Type [] [] [] [] [] [] [] []	Name of Federal Candidate: Daenerys Targaryen		
Calendar Year-To-Date Per Election for Office Sought \$23,000.00		<input checked="" type="checkbox"/> Support <input type="checkbox"/> Oppose <input type="checkbox"/> President <input type="checkbox"/> Senate <input type="checkbox"/> Other (specify) ▶	Office Sought: <input checked="" type="checkbox"/> House District: 25 State: CA Disbursement For: <input type="checkbox"/> Primary <input checked="" type="checkbox"/> General		

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7. Do we have anything left to report?

Answer: Disclose the payments made for the previous two newspaper ads on Schedules E in the next scheduled report (30-Day Post General) and then disclose the debt payments for the debt of \$18,000 that we previously reported on Schedule D.

Post-General Report

SCHEDULE E (FEC Form 3X)
ITEMIZED INDEPENDENT EXPENDITURES

PAGE **1** OF **1**
FOR LINE 24 OF FORM 3X


NAME OF COMMITTEE (In Full)			FEC IDENTIFICATION NUMBER ▼	
California Freedom Party Committee			C 00000004	
Check if <input type="checkbox"/> 24-hour report <input type="checkbox"/> 48-hour report			New report Amends report filed on	
Full Name of Payee		<input type="checkbox"/> Memo Item	Date of Public Distribution/Dissemination	
KELC-AM			10 / 31 / 2020	
Mailing Address			Amount	
1000 Camino La Costa			\$5,000.00	
City	State	Zip Code	Date of Disbursement or Obligation	
El Segundo	CA	90245	11 / 20 / 2020	
Purpose of Expenditure		Category/Type		
Radio Ad				
Name of Federal Candidate:		<input checked="" type="checkbox"/> Support <input type="checkbox"/> Oppose	Office Sought: <input checked="" type="checkbox"/> House <input type="checkbox"/> President <input type="checkbox"/> Senate	
Daenerys Targaryen			District: 25 State: CA	
Calendar Year-To-Date Per Election for Office Sought		Disbursement For: <input type="checkbox"/> Primary <input checked="" type="checkbox"/> General <input type="checkbox"/> Other (specify) ▶		
		\$23,000.00		

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Payment – Post-General Report

SCHEDULE E (FEC Form 3X) ITEMIZED INDEPENDENT EXPENDITURES		PAGE 1 OF 1 FOR LINE 24 OF FORM 3X	
NAME OF COMMITTEE (In Full) California Freedom Party Committee		FEC IDENTIFICATION NUMBER ▼ C 00000004	
Check if <input type="checkbox"/> 24-hour report <input type="checkbox"/> 48-hour report <input checked="" type="checkbox"/> New report Amends report filed on			
Full Name of Payee The L.A. County Daily News		Date of Public Distribution/Dissemination 10 / 13 / 2020	
Mailing Address 1700 Sunburst Ave.		Amount \$10,000.00	
City El Segundo	State CA	Zip Code 90245	Date of Disbursement or Obligation 11 / 20 / 2020
Purpose of Expenditure Newspaper Ad – 10/13/20		Category/Type	
Name of Federal Candidate: Daenerys Targaryen		<input checked="" type="checkbox"/> Support <input type="checkbox"/> Oppose Office Sought: <input checked="" type="checkbox"/> House <input type="checkbox"/> Senate District: 25 State: CA <input type="checkbox"/> President	
Calendar Year-To-Date Per Election for Office Sought \$23,000.00		Disbursement For: <input type="checkbox"/> Primary <input checked="" type="checkbox"/> General <input type="checkbox"/> Other (specify) ▶	

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Payment – Post-General Report

SCHEDULE E (FEC Form 3X) ITEMIZED INDEPENDENT EXPENDITURES		PAGE 1 OF 1 FOR LINE 24 OF FORM 3X	
NAME OF COMMITTEE (In Full) California Freedom Party Committee		FEC IDENTIFICATION NUMBER ▼ C 00000004	
Check if <input type="checkbox"/> 24-hour report <input type="checkbox"/> 48-hour report <input checked="" type="checkbox"/> New report Amends report filed on			
Full Name of Payee The L.A. County Daily News		Date of Public Distribution/Dissemination 10 / 15 / 2020	
Mailing Address 1700 Sunburst Ave.		Amount \$8,000.00	
City El Segundo	State CA	Zip Code 90245	Date of Disbursement or Obligation 11 / 20 / 2020
Purpose of Expenditure Newspaper Ad – 10/15/20		Category/Type	
Name of Federal Candidate: Cersei Lannister		<input type="checkbox"/> Support <input checked="" type="checkbox"/> Oppose Office Sought: <input checked="" type="checkbox"/> House <input type="checkbox"/> Senate District: 25 State: CA <input type="checkbox"/> President	
Calendar Year-To-Date Per Election for Office Sought \$23,000.00		Disbursement For: <input type="checkbox"/> Primary <input checked="" type="checkbox"/> General <input type="checkbox"/> Other (specify) ▶	

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Reporting Debt Payment

SCHEDULE D (FEC Form 3X) DEBTS AND OBLIGATIONS Excluding Loans		(Use separate schedule(s) for each numbered line)	PAGE 1 OF 1 FOR LINE NUMBER: (check only one) <input type="checkbox"/> 9 <input checked="" type="checkbox"/> 10
NAME OF COMMITTEE (In Full) California Freedom Party Committee			
A. Full Name (Last, First, Middle Initial) of Debtor or Creditor The L.A. County Daily News		Nature of Debt (Purpose): Newspaper Ads/IEs 10/13/20 and 10/15/20	
Mailing Address 1700 Sunburst Ave.			
City El Segundo	State CA	Zip Code 90245	
Outstanding Balance Beginning This Period <div style="border: 1px solid black; padding: 2px; display: inline-block;">\$18,000.00</div>			
Amount Incurred This Period <div style="border: 1px solid black; padding: 2px; display: inline-block;">\$0.00</div>		Payment This Period <div style="border: 1px solid black; padding: 2px; display: inline-block;">\$18,000.00</div>	
Outstanding Balance at Close of This Period <div style="border: 1px solid black; padding: 2px; display: inline-block;">\$0.00</div>			



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Tricky Issues: Reporting Last-Minute Advertising

- **Debts**
 - Debts include ads that are contracted for but not paid for in that reporting period.
 - When payment for ad is made in subsequent reporting period, report payment on Schedule E or F, and include date of dissemination in purpose field.
 - Update Schedule D with payment; cross-reference Schedule E or F.
- **24-Hour Reporting**
 - Must file a **24-hour report** for independent expenditures aggregating (per calendar year, per election, per office) \$1,000 or more made less than 20 days but more than 24 hours before the day of an election.
 - Aggregation is done on a per calendar year, per election, per office sought (race) basis.
 - Use Schedule E on Form 3X – check “24-hour report” box.
 - Must be received by FEC within 24 hours after the independent expenditure is publicly distributed or otherwise publicly disseminated.
 - Must be certified (signed) by treasurer (e-filers should type the treasurer's name following the certification on the notice).


- For paper filers, can use overnight delivery, hand-delivery or fax to 202-219-0174 (certified or registered mail date will not be considered filed date for these).
- Last-minute independent expenditures must be disclosed again on Schedule E of the next scheduled report that the committee files.
- A 24-hour report is required each time an additional \$1,000 is aggregated in independent expenditures.
- The 24-hour report time frames for each state are located on our website at <https://www.fec.gov/help-candidates-and-committees/dates-and-deadlines> .
- **48-Hour Reporting**
 - In addition, must file a **48-hour report** for independent expenditures that aggregate \$10,000 or more, anytime during a calendar year up to and including the 20th day before an election.
 - Use Schedule E on Form 3X – check “48-hour report” box.
 - Must be received by FEC within 48 hours after expenditure is publicly distributed or otherwise publicly disseminated.
 - Must be certified (signed) by treasurer (e-filers should type the treasurer’s name following the certification on the notice).
 - For paper filers, can use overnight delivery, hand-delivery or fax to (202) 219-0174 (certified or registered mail date will not be considered filed date for these).
 - Last-minute independent expenditures must be disclosed again on Schedule E of the next scheduled report that the committee files.
 - Aggregation is done on a per calendar year, per election, per office sought (race) basis.
 - A 48-hour report is required each time an additional \$10,000 is aggregated in independent expenditures.
 - The 48-hour report time frames for each state are located on our website at <https://www.fec.gov/help-candidates-and-committees/dates-and-deadlines> .

Workshop Evaluation

Help Us Help You!

**Please complete an evaluation
of this workshop.**

<https://www.surveymonkey.com/r/FDPQNBG>

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Evaluation Link: <https://www.surveymonkey.com/r/FDPQNBG>